

**CITY OF CLARKSTON**  
**Asotin County, Washington**  
**January 1, 1994 Through December 31, 1994**

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**Schedule Of Findings**

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1. City Officials Should Strengthen Internal Controls Over Some Areas Of Its Financial Operations

We found the following areas of weak internal controls within the city's financial operations.

a. Payroll and Security of Payroll Warrants

One person is responsible for processing payroll transactions. There is inadequate evidence of supervisory review of these duties. Further, blank warrant stock is maintained in the vault and access to the vault is inadequately restricted.

b. Cash Receipting

Cash receipts do not always include the mode of payment or the signature of the person receiving the cash. Sequential issuance of receipts is not adequately monitored and unused receipts are not always properly voided.

The noted lack of adequate internal controls increases the risk that material errors or irregularities could occur and not be detected by management in a timely manner. This lack of adequate controls also fails to provide assurance for compliance with federal and state requirements.

We recommend that city officials strengthen internal controls over payroll and security of warrants and cash receipting systems.

2. City Officials Should Comply With Statutory Bid Laws

During 1994, city officials did not formally call for bids for the \$18,314 purchase of a clarifier drive for the wastewater treatment plant as required by RCW 35.23.352 which states in part:

(6) Any purchase of supplies, material, equipment . . . where the cost thereof exceeds seven thousand five hundred dollars shall be made upon a call for bids . . . .

Without calling for competitive bids, city officials cannot be assured that it received the best price possible. The city has no centralized purchasing system to aid in assuring that appropriate bidding procedures are followed.

We recommend that city officials follow proper bid procedures to ensure competitive bids are obtained as required by statute.